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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDING

DECEMBER 31, 2000

NINE MILE POINT VOLUNTEER FIRE COMPANY
1024 OAK AVENUE
NINE MILE POINT, LA 70094

This report was prepared in accordance with the provisions of the Louisiana Code of Governmental Accounting, Title 24, Chapter 1, Part 1, Section 1001, which requires the independent auditor to report on the financial statements of the entity and to provide a written report to the governing body of the entity. This report is intended for the use of the governing body of the entity and is not to be used for any other purpose. It is the responsibility of the governing body of the entity to ensure that the financial statements are prepared in accordance with the provisions of the Louisiana Code of Governmental Accounting, Title 24, Chapter 1, Part 1, Section 1001, and to ensure that the independent auditor is provided with all the information necessary to prepare the report.

Release Date 8-22-01

JIM MARTIN

CERTIFIED PUBLIC ACCOUNTANT
5421 LAPALCO BLVD., SUITE A
MARRERO, LA 70072-4152
(504) 347-0067

NINE MILE POINT VOLUNTEER FIRE CO.

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Directors:
Nine Mile Point Volunteer Fire Company

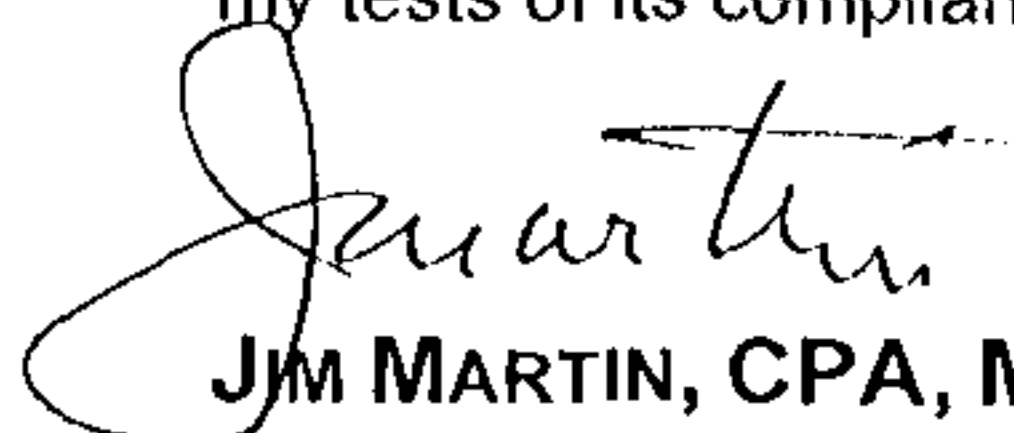
I have audited the accompanying general purpose financial statements of **Nine Mile Point Volunteer Fire Co.** as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of **Nine Mile Point Volunteer Fire Co.**'s management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1B, **Nine Mile Point Volunteer Fire Co.**, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Nine Mile Point Volunteer Fire Co.**, as of December 31, 2000, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1B.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 22, 2001, on my consideration of **Nine Mile Point Volunteer Fire Co.**'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.


JIM MARTIN, CPA, MST

Marrero, Louisiana
June 22, 2001



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NINE MILE POINT VOLUNTEER FIRE CO.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MODIFIED CASH BASIS

DECEMBER 31, 2000

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>(MEMO ONLY)</u>
ASSETS			
Cash - Operating Account (Note 2)	\$ 17,484	\$	\$ 17,484
Cash - Payroll Account (Note 2)	9,741		9,741
Cash - Private Account (Note 2)	12,709		12,709
Cash - Petty Fund (Note 2)	1,991		1,991
Cash - Ice Account (Note 2)	12		12
Cash - CD Bank One (Note 2)	59,375		59,375
A/R - Employees	14		14
Refundable Deposits (Note 5)	150		150
Prepaid Taxes	177		177
 Vehicles (Note 4)		31,624	31,624
Fire Truck #796 (Note 4)		35,223	35,223
Rescue Truck (Note 4)		208,302	208,302
Buildings - Station 78 (Note 4)		482,990	482,990
Buildings - Station 79 (Note 4)		155,145	155,145
Buildings - New Station (Note 4)		366	366
Equipment - Station 78 (Note 4)		173,751	173,751
Equipment - Station 79 (Note 4)		35,617	35,617
Real Estate (Note 4)		25,000	25,000
 TOTAL ASSETS	 \$ 101,653	 \$ 1,148,018	 \$ 1,249,671
LIABILITIES			
State W/H Payable (Note 1)	1,718		1,718
FUTA Payable (Note 1)	700		700
SUTA Payable (Note 1)	3		3
 TOTAL LIABILITIES	 \$ 2,421	 \$ 0	 \$ 2,421
 Investment in Fixed Assets		\$ 1,148,018	\$ 1,148,018
General Operating Fund	\$ 99,232		\$ 99,232
 TOTAL LIABILITIES & FUND BALANCES	 \$ 101,653	 \$ 1,148,018	 \$ 1,249,671

The accompanying notes are an integral part of this statement

NINE MILE POINT VOLUNTEER FIRE CO.
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

REVENUES

Jefferson Parish - Contract	(Note 7)	\$	359,340	85.2
Jefferson Parish - Monthly Subsidy	(Note 7)		18,000	4.3
Jefferson Parish - Quarterly Subsidy	(Note 7)		8,000	1.9
Interest	(Note 2)		4,450	1.1
Other Income	(Note 8)		32,033	7.6
TOTAL REVENUES		\$	421,823	100.0

EXPENDITURES

Bank Charges			501	0.1
Community Relations			693	0.2
Conventions/Seminars			699	0.2
Dues & Subscriptions			1,202	0.3
Employee Benefit Plans			6,066	1.4
Food Service			573	0.1
First Aid Training & Supp			75	0.0
Fire Fighting Gear			1,805	0.4
Fuel & Oil			2,781	0.7
Institutional Supplies			55	0.0
Insurance - Casualty			33,019	7.8
Insurance - Health Plan			37,562	8.9
Janitorial			1,333	0.3
Legal & Professional			8,522	2.0
Maintenance - Station			2,155	0.5
Maintenance - Vehicles			863	0.2
Morale			552	0.1
Office Supplies			5,038	1.2
Operating Lease	(Note 4)		22,787	5.4
Payroll Taxes			24,011	5.7
Repairs - Communication Equipment			595	0.1
Repairs - Vehicles			14,081	3.3
Security			120	0.0
Taxes & Licenses			76	0.0
Telephone			3,545	0.8

The accompanying notes are an integral part of this statement

**NINE MILE POINT VOLUNTEER FIRE CO.
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2000

Training & Educational		1,681	0.4
Uniforms		1,482	0.4
Utilities		14,710	3.5
Wages		264,501	62.7
TOTAL OPERATING EXPENDITURES		451,083	106.9
EXCESS REVENUE OVER/(UNDER) EXPENDITURES		(29,260)	-6.9
INCREASE IN FIXED ASSETS	(Note 4)	(4,533)	
FUND BALANCE, BEGINNING OF YEAR		\$ 133,025	
FUND BALANCE, END OF YEAR		\$ 99,232	

The accompanying notes are an integral part of this statement

Nine Mile Point Volunteer Fire Co.

Notes to Financial Statements

December 31, 2000

1. Summary of Significant Accounting Policies:

A. Statement of Presentation

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Nine Mile Point Volunteer Fire Co. maintains two stations. One is located at 1024 Oak Avenue (Station 78) and the other at 900 Patton Lane (Station 79). Accounting records are maintained at the Oak Avenue address.

B. Reporting Entity

Nine Mile Point Volunteer Fire Co. receives its funding from Jefferson Parish in the form of ad valorem taxes, monthly sales tax subsidies, and quarterly subsidies. Though it receives funding from the Parish, Nine Mile Point Volunteer Fire Co. is a separate entity, responsible for its own expenses and reporting.

C. Basis of Accounting

Nine Mile Point Volunteer Fire Co. maintains its records on a modified cash basis of accounting, which is a basis of accounting other than GAAP. Revenues are recognized when received and expenses with the exception of payroll tax liabilities are recorded when checks are written. Payroll tax liabilities are recorded when payroll checks are issued. Nine Mile Point Volunteer Fire Co. further uses a spending focus, meaning that they primarily account for the receipt and disbursement of resources. Based on the spending focus and the basis of accounting, GASB Statement No. 9 was not used and, therefore, alleviates the need for a cash flow statement being presented.

D. Budgets and Budgetary Accounting

The local Government Budget Act (LSA-RS 39:1301-1316) is primary guidance (and legal requirement) for local governmental units.

E. The board uses a fund (General Fund) and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The General Fund of the board is classified as a governmental fund. The General Fund accounts for the board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The General Fund is the general operating fund of the board and accounts for all financial resources, except those required to be accounted for in other funds.

2. Cash:

Cash consists of the amounts in non-interest-bearing demand deposits and interest-bearing accounts. Three certificates of deposit are held in an interest bearing account and the interest is received monthly.

3. Income Tax Status:

Nine Mile Point Volunteer Fire Co. is a publically supported not-for-profit organization and is generally exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code. Contributions are tax deductible under Section 501(c)(3) of the Code.

4. Fixed Assets and General Long-Term Obligations:

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost where available. Additionally, there are some assets in possession of the department that are not listed in the Fixed Asset Account Group. A brief discussion of each of these items follows below.

- **1981 Grumman**
This fire truck which is owned by Jefferson Parish was provided to the department for fire protection. The historical value of this truck is \$105,579.
- **Lot on Tiffany Court**
This lot is owned by the department and once housed another living unit beside Station 79. The lot is now currently empty and has a current estimated value of \$15,000.
- **1999 Spartan**
This fire truck was delivered to the department in December, 1999. It is currently being purchased in a Lease-Purchase arrangement with Banc One Leasing Corporation. The amount financed was \$174,648 at a rate of 5.95%, with annual payments due in each of the next ten years, with the first payment being April 1, 2000.

- **Fire Station - Westbank Expressway**

A new fire station is currently under construction on the Westbank Expressway at Segnette Blvd. in Westwego, Louisiana. This project is being financed through bond proceeds secured by Jefferson Parish. Currently, the estimated completion date is July, 2001. With the move to the new fire station, buyers are being solicited to purchase Station 79.

A summary of property and equipment, along with their corresponding changes, owned by the Nine Mile Point Volunteer Fire Co. is presented below:

	Balance			Balance
	Dec. 31, 1999	Additions	Deletions	Dec. 31, 2000
Vehicles	\$31,624	\$0	\$0	\$31,624
Fire Truck #796	32,437	2,786	0	35,223
Rescue Truck	208,302	0	0	208,302
Buildings - Station 78	481,787	1,203	0	482,990
Buildings - Station 79	155,145	0	0	155,145
Buildings - New Station	366	0	0	366
Equipment - Station 78	173,751	0	0	173,751
Equipment - Station 79	35,073	544	0	35,617
Real Estate (Lot on Oak Ave)	25,000	0	0	25,000
Totals	<u>\$1,143,485</u>	<u>\$4,533</u>	<u>\$0</u>	<u>\$1,148,018</u>

5. Deposits:

The \$150 represents utility deposits paid to maintain residences at Oak Avenue and Tiffany Court.

6. Pension Plan

Nine Mile Point Volunteer Fire Company began using a pension plan in 1999 which is available to all paid employees of the fire department. The department matches the employee contribution up to 3% of their adjusted gross annual salary, plus an additional one-time bonus of \$200.00 for each employee that takes part in the plan. The total amount of possible employee contribution in any one year is \$6,000.

7. Contracts

Nine Mile Point Volunteer Fire Company is one of the seven service companies contracted by Jefferson Parish, Louisiana, to provide the Seventh District of Jefferson Parish with fire protection. The original contract was dated September 3, 1980, and covered a ten year period. The contract was extended to coincide with the millage election of 1993, which expired in December of 1993.

The new contract became effective January 1994, and will run concurrent with the millage for 10 years. Funds provided by Jefferson Parish for the 2000 year are as follows:

	Monthly	Quarterly	Total
Ad Valorem			
Jan-Dec 2000	29,945		359,340
Parish Sales Tax	1,500		18,000
Parish Contribution		2,000	8,000
Lease Payment for New Truck			22,840
Fire Insurance Rebate			<u>8,068</u>
	<u>31,445</u>	<u>2,000</u>	<u>416,248</u>

8. Other Income:

Other Income is comprised of membership dues, rental income, monies for truck lease payment and insurance proceeds. Below is a detailed listing of other income as presented in the Statement of Revenues and Expenditures - Modified Cash Basis.

<u>Other Income</u>	<u>Amount</u>
Rental Income	\$ 900
Insurance Refund	8,068
Membership Dues	225
Parish Funds for Lease Payment of New Truck	<u>22,840</u>
Total Other Income	<u>\$ 32,033</u>

9. Audits:

Audits of quasi-governmental entities are under the provisions of LSA-RS 24:513 which states that any local auditee that receives \$350,000 or more in revenues and other sources in any one fiscal year, but less than \$3,500,000 shall be audited once every two years, said audit to include the transactions of both years. Such audits shall be completed within six months of the close of the entity's fiscal year. Nine Mile Point Volunteer Fire Company is in compliance with this audit requirement for the 2000 calendar year.

10. GASBS No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement). Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of Nine Mile Point's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of Nine Mile Point's activities

The general provisions of GASBS No. 34 must be implemented by Nine Mile Point Volunteer Fire Company No. 1 no later than the fiscal year ending December 31, 2003. Nine Mile Point plans to implement the general provisions of the Statement in the year ending December 31, 2003.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Directors:
Nine Mile Point Volunteer Fire Company

I have audited the general purpose financial statements of **Nine Mile Point Volunteer Fire Co.**, as of and for the year ended December 31, 2000, and have issued my report thereon dated June 22, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

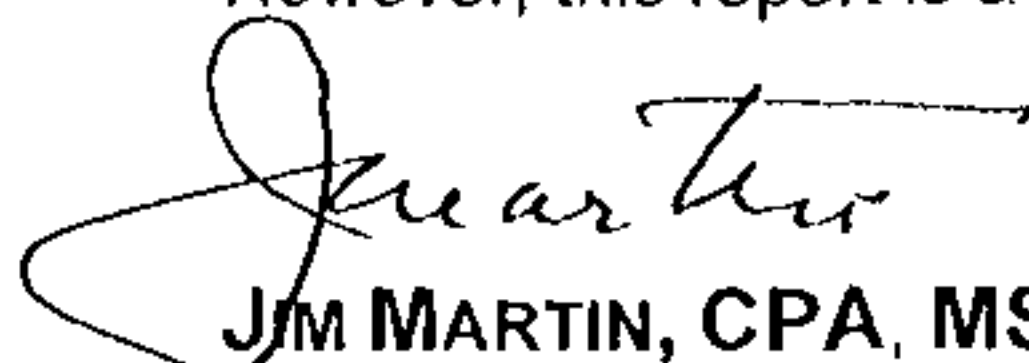
Compliance

As part of obtaining reasonable assurance about whether **Nine Mile Point Volunteer Fire Co.'s** general purpose financial statements are free of material misstatement, I performed tests of its compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered **Nine Mile Point Volunteer Fire Co.'s** internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration on the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted matters involving the internal control over financial reporting that I have reported to management of **Nine Mile Point Volunteer Fire Co.** in a separate letter dated June 22, 2001.

This report is intended for the information of the audit committee, management, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


JIM MARTIN, CPA, MST

Marrero, Louisiana
June 22, 2001



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MANAGEMENT LETTER

To the directors:
Nine Mile Point Volunteer Fire Company

This letter is directed to the managing body of **Nine Mile Point Volunteer Fire Co.** and is intended to identify certain immaterial weaknesses found while conducting this audit.

Budgetary Process

Nine Mile Point Volunteer Fire Co. operates based on a budget presented annually to the membership. Although budgets are based on estimated revenues and expenditures, certain line item variances were rather large with no explanation for the large difference.

More attention needs to be given to the budgetary process and if necessary, periodically re-address certain line items. As a governmental, not-for-profit agency, the budget should be zero-based with all incoming funds being budgeted. Further, I would suggest that monthly financial statements be issued with budgets and variances on a regular basis.

JIM MARTIN, CPA, MST

Marrero, Louisiana
June 22, 2001



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NINE MILE POINT VOLUNTEER FIRE CO. No. 1

1024 OAK AVENUE • NINE MILE POINT, LA 70094

Phone: (504) 349-5178

Fax: (504) 349-5578

June 27, 2001

Daniel G. Kyle, PH.D., CPA, CFE
Office of the Legislative Auditor
State of Louisiana
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397


Dear Sir:

In compliance with the Louisiana State Legislative Audit with relation to the 2000 audit of Nine Mile Point Volunteer Fire Co. #1, the following corrective actions will be taken regarding inconsistencies in this audit:

Budgetary Process -- The Administrative Assistant will continue to keep revised and up-to-date records of the annual budget on a monthly basis by properly recording all expenditures of funds at the end of each month. The Board of Directors will continue to be informed of these transactions and will monitor the budget closely. The Administrative Assistant will further issue monthly financial statements with the monthly revised budgets.

With the assistance and guidance of the company's CPA, the Board of Directors will meet with representatives of our CPA's office to establish a more accurate estimate of expenditures for each category for the coming year.

Sincerely,


James H. Tuller,
President